

Message Text

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ACTION IO-10

INFO OCT-01 ARA-06 EUR-12 ISO-00 EB-07 AID-05 AF-06 EA-06

NEA-09 COME-00 LAB-04 SIL-01 TRSE-00 XMB-02 DIWY-01

OIC-02 OES-03 FEA-01 INT-05 STR-01 OPIC-03 SP-02 L-02

CIAE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01 /104 W

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R 181328Z MAR 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 4346

INFO USUN NEW YORK 507

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FROM USDEL UNIDO II CONFERENCE

E.O. 11652: N/A

TAGS: UNIDO, OCON, US

SUBJECT: UNIDO II - GENERAL DEBATE

1. GENERAL DEBATE ITEM HAS DRONED ON FOR THREE DAYS
(MARCH 13-15) WITH ABOUT ONE THIRD OF DELEGATIONS HAVING SPOKEN.
NOTHING UNTOWARD THUS FAR. MOST DELEGATIONS HAVE STRESSED GENERAL
THEMES OF CURRENT GLOBAL ECONOMIC CRISIS, NEED TO ACCELERATE LDC
ECONOMIC DEVELOPMENT IN GENERAL AND INDUSTRIAL DEVELOPMENT IN
PARTICULAR AND NECESSITY OF CONSTRUCTIVE DIALOGUE BETWEEN DCS
AND LDCS IF WE ARE TO AVOID ECONOMIC CHAOS.

2. LDC LINE HAS GENERALLY BEEN 1) THEY ARE SUFFERING MOST
FROM CRISIS CAUSED BY FAILURES OF PRESENT INTERNATIONAL ECONOMIC
SYSTEM; 2) NECESSARY SHIFT FROM PRESENT "NEO COLONIALIST":
SITUATION TO NEW INTERNATIONAL ECONOMIC ORDER (NIEO) AND
EQUAL PARTNERSHIP WITH SPECIFIC MEASURES TO INCLUDE REFORM

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OF INTERNATIONAL MONETARY SYSTEM, GSP, CONTROL OF NATURAL

RESOURCES AND INCREASED PROCESSING THEREOF, CODES OF CONDUCT FOR MULTINATIONAL CORPORATIONS AND TRANSFER OF TECHNOLOGY AND CREATION OF PRODUCERS' ASSOCIATION; 3) ADHERENCE TO DECLARATION AND PLAN OF ACTION APPROVED AT ALGIERS (ID/CONF. 3/22); AND 4) CALL FOR INCREASED AUTONOMY FOR UNIDO, MOST REFERRING TO SPECIALIZED AGENCY STATUS, IN ORDER THAT ORGANIZATION MIGHT PLAY KEY ROLE IN INCREASING TECHNICAL ASSISTANCE TO LDC'S IN INDUSTRIAL FIELD AND RESTRUCTURING GLOBAL INDUSTRIAL PATTERN. SOCIALIST COUNTRIES THUS FAR HAVE PUSHED USUAL LINES OF DETENTE AND USE OF SAVINGS FROM DISARMAMENT FOR LDC ECONOMIC DEVELOPMENT. ALSO, KEY ROLE OF LONG RANGE PLANNING AND CALL FOR MORE EFFECTIVE UNIDO WITHIN PRESENT FRAMEWORK. DC ORATORS HAVE IN GENERAL EMPHASIZED SYMPATHY FOR LDC ASPIRATIONS AND WILLINGNESS TO ENTER INTO DIALOGUE IN ORDER TO FIND PRACTICAL SOLUTIONS TO COMPLEX PROBLEMS. EEC COUNTRIES HAVE HIGHLIGHTED LOME AGREEMENT AS EXAMPLE OF NEW, POSITIVE APPROACH. AS EXPECTED, NETHERLANDS WAS CLEARLY IN VANGUARD. FRG, JAPAN, FRANCE AND UK SET CAUTIOUS TONE WHILE NONETHELESS STRESSING NEED FOR CHANGE. PRC WAS PURE BOILER PLATE WITH THE SOVIETS BEARING PRINCIPAL BRUNT OF ATTACK ON "SUPERPOWER HEGEMONISM".

3. HIGHLIGHTS OF NOTWORTHY INTERVENTIONS WERE:

A. FRG (BAHR, MINISTER FOR ECONOMIC COOPERATION): FREEDOM TO CHOOSE OWN SYSTEM AND OBLIGATION OF RESPECT BY OTHERS; POLITICAL WILL AND NOT DECLARATIONS CREATE ECONOMIC REALITIES; WHILE CHANGE IS NECESSARY THERE ARE MANY ELEMENTS OF SIXTY SPECIAL SESSION OF G.A. STILL DISPUTED; IMPOSSIBILITY OF SOLVING ALL PROBLEMS AT LIMA; FRG POLICY OF REMOVING SHORTCOMINGS OF MARKET SYSTEM BY SETTING GUIDANCE BUT IMPOSSIBILITY OF FORCING INDUSTRIAL TRANSFERS; NEW UNIDO BUREAUCRACY IS NOT NECESSARY FOR STRENGTHENING THE ORGANIZATION: CALL TO OPEC COUNTRIES TO INVEST IN MOST NEEDY LDCS; APPEAL TO GROUP 77 TO PARTICIPATE IN GENERAL SCHEME FOR USING SAVINGS FROM DISARMAMENT FOR DEVELOPMENT PURPOSES; AND EMPHASIS ON FACT THAT COOPERATION AND PARTNERSHIP AND NOT MAJORITY DECISIONS SHOULD BE AIM OF UNIDO II. SPEECH WAS EXCELLENT BALANCE OF EXPRESSION OF DC SENSITIVITY TO G-77 ASPIRATIONS WHILE STRESSING THAT REALISM AND WILLINGNESS LIMITED OFFICIAL USE

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TO COMPROMISE WILL BE ESSENTIAL ELEMENTS OF ANY SUCCESS AT LIMA.

B. NETHERLANDS (PRONK, MINISTER FOR DEVELOPMENT COOPERATION): SURINAM TO GAIN INDEPENDENCE BY END OF YEAR; GON ACCEPTS NIEO AND LDC SHARE TARGET OF 25 PERCENT OF WORLD INDUSTRIAL PRODUCTION BY YEAR 2000; CURRENT ECONOMIC CRISIS IS NO EXCUSE FOR DC INACTION IN RESPONDING TO LDC NEEDS; CALL

FOR CONSCIOUS POLICY AIMED AT ACHIEVING OPTIMAL DIVISION OF LABOT AND IN THIS REGARD GON HAS ALREADY SET ASIDE FUNDS TO UNDERTAKE ADJUSTMENT ASSISTANCE IN ORDER TO FACILITATE TRANSFER OF INDUSTRY TO LDCS; CALL FOR CODE OF CONDUCT TO SUPERVISE MULTINATIONAL CORPORATIONS; RIGHT TO FORM PRODUCER ASSOCIATIONS; LINKAGE OF ENERGY TO OTHER NATURAL RESOURCES; AND APPEAL FOR DC'S TO RESPOND TO ALGIERS DOCUMENT IF THEY ARE SINCERE. C. GUYANA (HOYTE, MINISTER OF ECONOMIC DEVELOPMENT): CONFERENCE PLAN OF ACTION MUST BE POSITIVE AND PRACTICAL, TAKING INTO ACCOUNT WORK DONE BY OTHER BODIES; MISUSE OF PETRO-DOLLARS WHICH SHOULD BE USED FOR ECONOMIC DEVELOPMENT OF LDCS RATHER THAN RECYCLED TO DCS; IMPOSSIBILITY FOR UNIDO II TO COMPLETE ALL NECESSARY TALKS. THIS LDC ADDRESS WAS UNUSUAL FOR ITS SENSE OF REALISM. D. ITALY (BATTAGLIA, UNDERSECRETARY OF STATE FOR FOREIGN AFFAIRS): ENTIRE SPEECH DEVOID OF SUBSTANCE BUT INTERESTING IN SENSE THAT ITALY PLAYED ROLE OF "THIRD WORLD" OF DCS. E. FRANCE (DESTREMAU, SECRETARY OF STATE FOR FOREIGN AFFAIRS): CALL FOR CONCERTATION AT LEVEL OF "ECONOMIC AGENTS" (INCLUDES GOVERNMENT, PRIVATE INDUSTRY DOWN TO MIDDLE SIZE ENTERPRISES AND LABOR); IMPORTANCE OF LOME AND BANGUI AGREEMENTS AS EXAMPLES OF NEW DIALOGUE; APPEAL TO G-77 NOT TO PUSH FOR UNREASONABLE DEMANDS. SPEECH WAS EFFECTIVE MIXTURE GEARED TO CONVINCE G-77 OF FRENCH SINCERITY WHILE WARNING THAT UNREASONABLE DEMANDS WOULD BE COUNTERPRODUCTIVE. F. EEC (CHEYSSON) COMPLEMENTARY OF INTERESTS BETWEEN EC-9 AND G-77; FACT THAT EEC MUST TAKE ACCOUNT OF PRIVATE SECTOR, PEOPLE, VIA PARLIAMENTS, AND LABOR IN ARRIVING AT DECISIONS; EEC ROLE IN SETTING GUIDELINES FOR PRIVATE SECTOR; EEC CONCRETE PROGRAM FOR LDC INDUSTRIAL DEVELOPMENT WHICH STRESSES ACCESS TO MARKETS, COMMERCIAL PROMOTION AND PARTICIPATION IN TRADE NEGOTIATIONS WITH G-77 WITHIN GATT FRAMEWORK; LOME LIMITED OFFICIAL USE

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WHICH INCLUDES REVOLUTIONARY ELEMENT OF STABILIZATION OF EXPORT EARNINGS; NEED TO GO BEYOND LOME TOWARD GLOBAL POLICY OF COOPERATION IN WHICH UNIDO WOULD HAVE ROLE IN FACILITATING CONTACTS WITH "REAL FORCES" ONCE POLITICAL WILL OF GOVERNMENTS IS DEMONSTRATED. CHEYSSON SPEECH WAS WELL RECEIVED AS ARTICULATE PRESENTATION OF EEC CASE. G. ALGERIA (BELAID ABDESSELAM, MINISTER OF INDUSTRY AND ENERGY): TOTAL ADHERENCE TO ALGIERS DOCUMENT WHICH SHOWS WAY TOWARD CORRECTION OF ACTUAL DISEQUILIBRIUM IN ECONOMIC RELATIONSHIPS; WHILE SELF RELIANCE IS BASIC, INTERNATIONAL COOPERATION IS INDISPUTABLE ELEMENT OF ECONOMIC DEVELOPMENT; NECESSITY FOR NEGOTIATING NEW CONTRACTUAL FRAMEWORK TO RECTIFY PRESENT UNEQUAL JUDICIAL SYSTEM WHICH FAILS TO PROTECT LDCS FROM ABUSES IN CONTRACTS AND TECHNOLOGY TRANSFERS (HE POINTED OUT THAT DC GOVERNMENTS INTERVENE IN PROTECTION

OF PRIVATE COMPANIES BUT REFUSE TO DEFEND INTERESTS OF LDCS
WHEN THOSE COMPANIES ARE ABUSIVE), RIGHT OF LDCS TO RECEIVE
JUST PRICE FOR RESOURCES VIA MECHANISM OF PRODUCERS'
ASSOCIATIONS; INCREASED FINANCING OF UNIDO FROM UNDP
AND IBRD; STOPPAGE OF "CRUEL WASTE" IN DCS AND USE OF
SAVINGS FOR LDC DEVELOPMENT; URGENT NEED FOR DIALOGUE TO
BRING ABOUT NIEO WHICH WILL OTHERWISE COME ABOUT BY CRISIS.
LANGUAGE OF SPEECH WAS DEFINITELY THIRD WORLDISH BUT
REASONABLY WELL BALANCED, QUOTING EXTENSIVELY FROM ALGERIAN
PRESIDENT BOUMEDIENE. H. CUBA (DOMENECH BENITEZ, VICE
FIRST-MINISTER); PRESENT INTERNATIONAL ECONOMIC CRISIS
PRIMARILY AFFECTS WORKERS AND LDCS; RECOGNITION OF NEW
FIGHTING SPIRIT OF LDCS BOTH WITHIN NON-ALIGNED AND
SOCIALIST CAMPS AS EXEMPLIFIED BY NIEO, CERDS, DAKAR
AND ALGIERS MEETINGS; CAUTION TO UNIDO NOT TO SUPPORT
PRIVATE INVESTMENT PROGRAMS; TOTAL SUPPORT FOR ALGIERS
DOCUMENT.
DEAN

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